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Spain

Biotechnology Corn Plantings—Economic Decisions 2007

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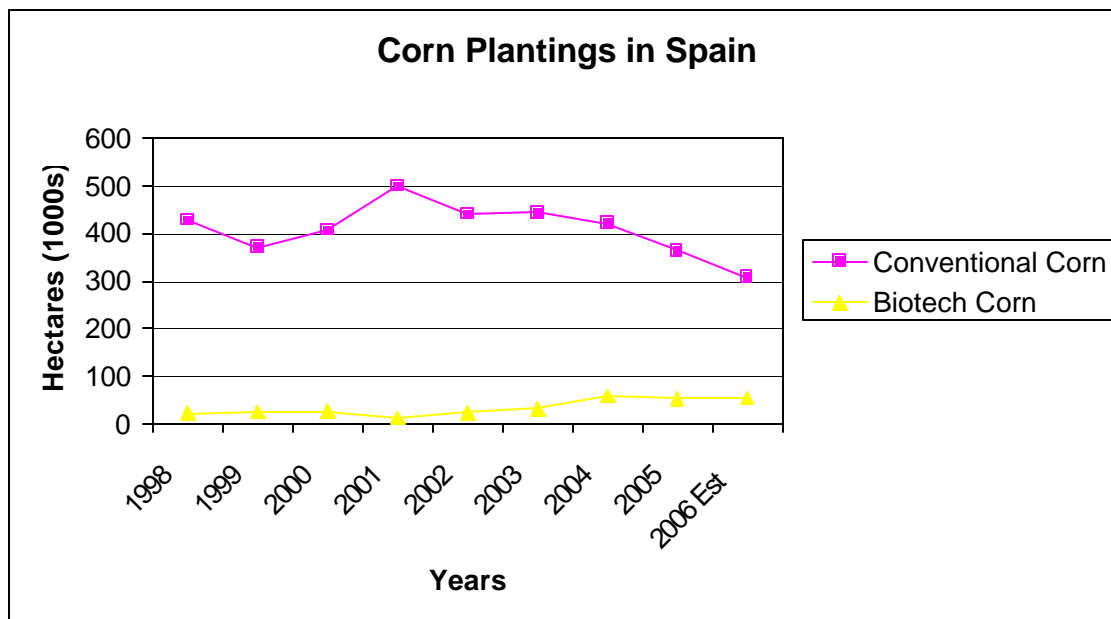
Andy Jessen

Report Highlights: Spanish farmers are planting fewer hectares to corn each year, partly because of a recent and prolonged drought. However, biotechnology corn plantings, as a percent of the overall total hectares planted to corn, are increasing due to its popularity in areas where the corn borer is prominent.

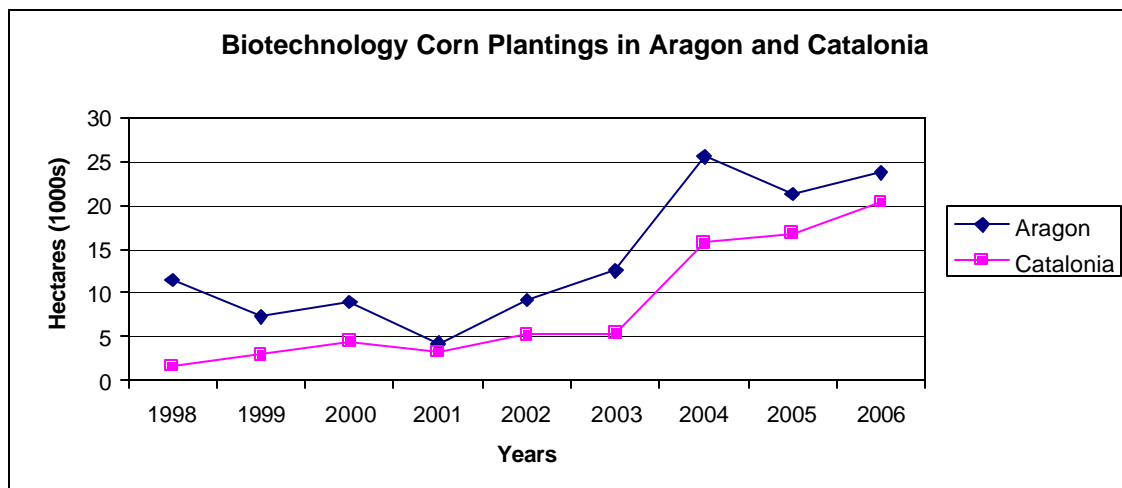
Includes PSD Changes: No
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Madrid [SP1]
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During marketing year (MY) 2006, Spanish corn producers increased biotechnology corn plantings as a percent of total corn hectares planted. While MY 2006 planting statistics are not yet final, we estimate that Spanish farmers planted 53,700 hectares of biotechnology corn, and using this approximation (we believe our estimate is conservative and expect that final numbers will be even higher), biotechnology corn comprised 14.8 percent of total corn plantings, up from last year's 12.8 percent ratio.

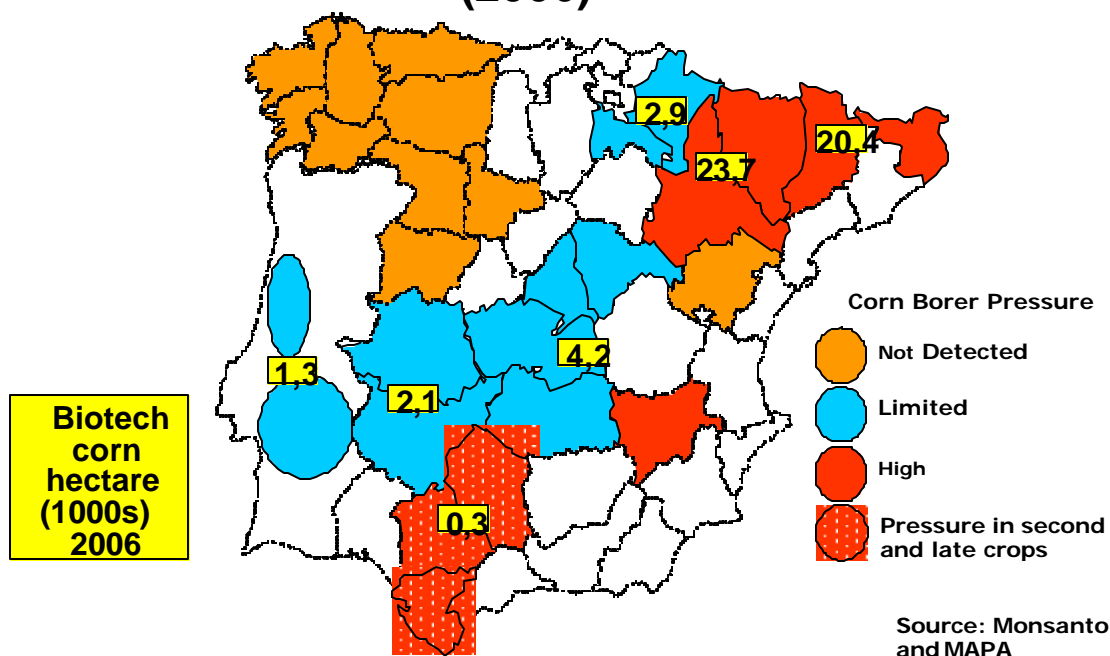
Spanish corn farmers have indeed decreased total planted corn hectares (all varieties and types) since the record achieved in 2001, but the reductions are related, in large part, to prevailing shortages of irrigation water and more recently to severe drought conditions.



However, during the same period of consideration, Spanish corn growers, in regions where the corn borer is prominent, have increased biotechnology corn plantings. The statistics paint a very clear picture of the value modern technological advances in seed-corn breeding has for corn producers in areas where the corn borer is difficult or impossible to control through any other pest-control method. The regions of Aragon and Catalonia are the most susceptible to corn borer infestation, and since MY 2001, farmers in these two Autonomous Regions have increased dramatically biotechnology corn plantings.



Corn Borer Infestation by Province (2006)



The biotechnology corn planted and harvested in Spain is used exclusively in the production of compound feeds where it is labeled to contain “genetically modified organisms” before it is sold for use in Spain’s robust livestock industry. The compound feed industry labels all feeds with the same “GMO” notice, because there is not a political, social, nor economic impediment to doing so, and because it is the most economic means of dealing with the EC-mandated labeling and traceability legislation.